

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Frenchtown Charter Township	County Monroe
Audit Date December 31, 2004	Opinion Date March 31, 2005	Date Accountant Report Submitted to State June 23, 2005	

We have audited the financial statements of this local unit of government and rendered an opinion on the financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Government Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

- 1 We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
- 2 We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below.

- | | |
|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1 Certain component units/funds/agencies of the local government unit are excluded from the financial statements. |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 2 There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3 There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4 The local unit has violated the conditions of either an order issued under the Municipal Finance Act of its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5 The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6 The unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7 The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more that 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8 The unit uses credit cards and has not adopted an applicable policy as required by P.A. 286 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9 The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
The reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU)			X

Certified Public Account (Firm Name) McGuire & Cavan CPAs			
Street Address 6588 Secor Road		City Lambertville	State Zip MI 48144
Accountant Signature 			Date June 23, 2005



McGuire & Cavan
Certified Public Accountants

L. Donavon McGuire, CPA
Maureen A. Cavan, CPA

6588 Secor Road
Lambertville, MI 48144
Tel 734-854-5044
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March 31, 2005

Frenchtown Charter Township Board
Monroe, MI

Dear Board Members,

Our audit of the financial statements of Frenchtown Charter Township for the year ended December 31, 2004, was made in accordance with the generally accepted auditing standards which require that we determine that existing internal controls, accounting procedures and accounting records are adequate to allow us to express an opinion on the financial statements of the Township. The scope of our audit is not intended to be a detailed review of all systems and procedures; therefore, this report should not be considered all inclusive.

As a result of our audit, we offer the following comments.

Deficit Fund Balance – The Building Inspection Fund ended the 2004 year with a deficit balance of \$16,350. A transfer from the general fund will be required to eliminate this deficit. Also, a deficit elimination plan is required to be filed with the State Treasurer.

Financial Reporting Changes – The Governmental Accounting Standards Board Statement No. 34 is now in effect. Your financial statements are presented in the required format, including depreciation of fixed assets and a required Management Discussion and Analysis section in the financial statements.

We would like to take this opportunity to thank both the Board Officials and the employees who provided assistance to us during our audit. If you have any questions regarding any of the suggestions noted above or would like assistance in their implementation, please contact us.

Sincerely,

L. Donavon McGuire, CPA
McGuire & Cavan
Certified Public Accountants

FRENCHTOWN CHARTER TOWNSHIP

Monroe County, Michigan

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

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INDEPENDENT AUDITOR'S REPORT

Township Board
Frenchtown Charter Township
Monroe, MI 48162

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Frenchtown Charter Township, Michigan as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Frenchtown Charter Township, Michigan as of December 31, 2004, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 4 and 26 through 28 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the Frenchtown Charter Township's basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary combining nonmajor fund financial statements and budgetary comparisons have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGuire & Cavan

McGuire & Cavan
Certified Public Accountants

March 31, 2005

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 4.9% from a year ago – increasing from 56,685.7 thousand to 59,476.3 thousand. As we look at the governmental activities separately from the business-type activities, we can see that the governmental activities experienced an increase, of approximately \$1,361.8 thousand during the year (5% increase). The business-type activities experienced a \$1,428.8 thousand increase in net assets. In a condensed format, the table below shows a comparison (in thousands of dollars) of the net assets as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
Current Assets	\$ 17,234.0	\$ 17,661.2	\$ 11,535.6	\$ 9,476.5	\$ 28,769.6	\$ 27,137.7
Noncurrent Assets	10,090.8	8,591.2	31,502.8	29,776.4	41,593.6	38,367.6
Total Assets	<u>27,324.8</u>	<u>26,252.4</u>	<u>43,038.4</u>	<u>39,252.9</u>	<u>70,363.2</u>	<u>65,505.3</u>
Long-Term Debt Outstanding	-	-	9,940.0	7,740.0	9,940.0	7,740.0
Other Liabilities	<u>379.2</u>	<u>668.6</u>	<u>567.6</u>	<u>410.9</u>	<u>946.8</u>	<u>1,079.5</u>
Total Liabilities	<u>379.2</u>	<u>668.6</u>	<u>10,507.6</u>	<u>8,150.9</u>	<u>10,886.8</u>	<u>8,819.5</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	10,090.8	8,591.2	21,282.8	22,036.4	31,373.6	30,627.6
Restricted	896.9	896.9	723.2	723.2	1,620.1	1,620.1
Unrestricted (Deficit)	<u>15,957.9</u>	<u>16,095.7</u>	<u>10,524.7</u>	<u>8,342.3</u>	<u>26,482.6</u>	<u>24,438.0</u>
Total Net Assets	<u>\$ 26,945.6</u>	<u>\$ 25,583.8</u>	<u>\$ 32,530.7</u>	<u>\$ 31,101.9</u>	<u>\$ 59,476.3</u>	<u>\$ 56,685.7</u>

Unrestricted net assets--the part of net assets that can be used to finance day to day operations, decreased by \$137,800 for the governmental activities. This represents an decrease of approximately 1%. The current level of unrestricted net assets for our governmental activities stands at \$15,957,900 or about 260% of expenditures.

Frenchtown Charter Township
Management's Discussion and Analysis
December 31, 2004

The following table shows the changes of the net assets (in thousands of dollars) as of the current date to the prior year:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
Program Revenues						
Charges for Services	\$ 514.8	\$ 419.6	\$ 2,051.5	\$ 2,114.6	\$ 2,566.3	\$ 2,534.2
Operating Grants and Contributions	136.9	133.8	87.9	28.0	224.8	161.8
Capital Grants and Contributions	46.4	-	-	-	46.4	-
General Revenues						
Property Taxes	4,813.2	5,119.2	2,338.6	2,342.4	7,151.8	7,461.6
State-Shared Revenues	1,559.8	1,649.0	-	-	1,559.8	1,649.0
Franchise Fees and Permits	146.0	136.9	-	-	146.0	136.9
Unrestricted Investment Earnings	124.0	130.6	201.8	142.4	325.8	273.0
Transfers and Other Revenue	155.9	1,177.9	-	-	155.9	1,177.9
	<u>7,497.0</u>	<u>8,767.0</u>	<u>4,679.8</u>	<u>4,627.4</u>	<u>12,176.8</u>	<u>13,394.4</u>
Program Expenses						
General Government	1,658.4	3,417.9	-	-	1,658.4	3,417.9
Public Safety	3,332.5	3,160.5	-	-	3,332.5	3,160.5
Public Works	1,029.1	192.2	-	-	1,029.1	192.2
Recreation and Culture	115.3	246.5	-	-	115.3	246.5
Interest on Long-Term Debt	-	-	-	-	-	-
Water and Sewer	-	-	3,251.1	2,840.7	3,251.1	2,840.7
Total Expenses	<u>6,135.3</u>	<u>7,017.1</u>	<u>3,251.1</u>	<u>2,840.7</u>	<u>9,386.4</u>	<u>9,857.8</u>
Change in Net Assets	<u>\$ 1,361.7</u>	<u>\$ 1,749.9</u>	<u>\$ 1,428.7</u>	<u>\$ 1,786.7</u>	<u>\$ 2,790.4</u>	<u>\$ 3,536.6</u>

The Township's net assets continue to remain healthy. The total revenues decreased due to property taxes and we were able to decrease total expenses by 5%. As a result, net assets grew by \$2,790,400, compared to a prior year increase of \$3,536,600.

Governmental Activities

The Township's total governmental revenues decreased by approximately \$1,270,000, primarily due to the decrease in property taxes and sale of industrial park land.

Expenses decreased by \$881,800 during the year. This was primarily the result of reduced general government expenses.

Business-Type Activities

The Township's business-type activities consist of a Water and a Sewer Fund. Water is produced through our own treatment facility. Sewage treatment is provided to residents by the City of Monroe.

The Township's Funds

Our analysis of the Township's major funds begins on page 7, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2004 include the General Fund, the Fire Fund, and the Revolving Fund.

The General Fund pays for most of the Township's governmental services. Fire protection is provided by the Fire Fund which receives revenues from a Township tax levy.

General Fund Budgetary Highlights

During the fiscal period 2004, the Township Board amended the budget to reflect changes which took place during the year. The most significant change in expense was a \$280,500 increase in public works expenditures. Additionally there were a few minor changes resulting in an overall budget increase of \$230,520.

The expenditure budget reflects a fund balance of \$3,000, which is \$3,000 better than anticipated. All departments except one were within budget allocation.

Capital Asset and Debt Administration

Capital Assets - At December 31, 2004, the Township had \$28,856,270 invested in a broad range of capital assets, including buildings, police and fire equipment, and water and sewer lines. In addition, the Township has invested significantly in roads within the Township.

Long-term Debt - At the end of the current fiscal year Frenchtown Charter Township had total bonded debt of \$10,220,000 consisting of county contracts. Debt increased by \$2,480,000 during the year due to issuance of \$3,215,000 in water debt.

Economic Factors and Next Year's Budgets and Rates

The General Fund 2005 fiscal budgeted revenue is expected to be \$7,305,000 or down 1%. It is not certain at this time what grants the Township could receive, if any. Tax rates will remain the same. The taxable value of the largest taxpayer will decrease approximately 8%, but with growth in the township, it is anticipated that the overall taxable value will increase.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

FRENCHTOWN CHARTER TOWNSHIP
GOVERNMENT WIDE STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Primary Government			Component Unit
	Governmental	Business - Type		Resort District
	Activities	Activities	Total	Authority
Assets				
Cash and Cash Equivalents	\$ 12,044,522	\$ 5,096,734	\$ 17,141,256	\$ 3,656,867
Receivables (Net of Allowance for Uncollectibles):				
Accounts	86,928	261,105	348,033	-
Taxes	4,571,827	2,230,159	6,801,986	1,973,450
Assessments	-	1,614,091	1,614,091	-
Due From State of Michigan	550,858	-	550,858	-
Due From Others	-	1,300	1,300	-
Internal Balances	(20,119)	22,483	2,364	-
Deferred Charges, Net of Amortization	-	450,601	450,601	-
Restricted Cash With Fiscal Agent	-	1,859,149	1,859,149	-
	<u>17,234,016</u>	<u>11,535,622</u>	<u>28,769,638</u>	<u>5,630,317</u>
Capital Assets:				
Land	1,526,104	115,800	1,641,904	6,716
Buildings and System	6,692,536	33,167,366	39,859,902	-
Improvements Other than Buildings	549,635	-	549,635	-
Machinery and Equipment	3,312,689	3,073,427	6,386,116	34,637
Infrastructure	1,766,899	-	1,766,899	659,778
Construction in Progress	142,908	2,168,972	2,311,880	538,535
Less Accumulated Depreciation	(3,899,977)	(7,022,812)	(10,922,789)	(55,564)
Total Capital Assets (Net of Accumulated Depreciation)	<u>10,090,794</u>	<u>31,502,753</u>	<u>41,593,547</u>	<u>1,184,102</u>
Total Assets	<u>27,324,810</u>	<u>43,038,375</u>	<u>70,363,185</u>	<u>6,814,419</u>
Liabilities				
Accounts Payable	240,468	126,801	367,269	543,122
Accrued Liabilities	138,766	-	138,766	-
Due to Others	-	58,265	58,265	-
Accrued Interest Payable	-	102,572	102,572	-
Noncurrent Liabilities:				
Due Within One Year	-	780,000	780,000	-
Due in More Than One Year	-	9,440,000	9,440,000	-
Total Liabilities	<u>379,234</u>	<u>10,507,638</u>	<u>10,886,872</u>	<u>543,122</u>
Net Assets				
Invested in Capital Assets Net of Related Debt	10,090,794	21,282,753	31,373,547	1,184,102
Restricted for:				
Improvements	666,448	723,246	1,389,694	-
Other	230,521	-	230,521	-
Unrestricted	15,957,813	10,524,738	26,482,551	5,087,195
Total Net Assets	<u>\$ 26,945,576</u>	<u>\$ 32,530,737</u>	<u>\$ 59,476,313</u>	<u>\$ 6,271,297</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit Resort District Authority
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities:								
General Government	\$ 1,658,380	\$ -	\$ -	\$ -	\$ (1,658,380)	\$ -	\$ (1,658,380)	\$ -
Public Safety	3,332,549	514,816	-	46,440	(2,771,293)	-	(2,771,293)	-
Public Works	1,029,099	-	136,942	-	(892,157)	-	(892,157)	-
Culture and Recreation	115,280	-	-	-	(115,280)	-	(115,280)	-
Interest on Long-Term Debt	-	-	-	-	-	-	-	-
Total Governmental Activities	<u>6,135,308</u>	<u>514,816</u>	<u>136,942</u>	<u>46,440</u>	<u>(5,437,110)</u>	<u>-</u>	<u>(5,437,110)</u>	<u>-</u>
Business-Type Activities:								
Sewer	3,151,270	1,730,282	87,940	-	-	(1,333,048)	(1,333,048)	-
Water	99,831	321,220	-	-	-	221,389	221,389	-
Total Business-Type Activities	<u>3,251,101</u>	<u>2,051,502</u>	<u>87,940</u>	<u>-</u>	<u>-</u>	<u>(1,111,659)</u>	<u>(1,111,659)</u>	<u>-</u>
Total Primary Government	<u>\$ 9,386,409</u>	<u>\$ 2,566,318</u>	<u>\$ 224,882</u>	<u>\$ 46,440</u>	<u>(5,437,110)</u>	<u>(1,111,659)</u>	<u>(6,548,769)</u>	<u>-</u>
Component Unit								
Resort District Authority	<u>\$ 742,031</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>742,031</u>
General Revenues:								
Property Taxes					4,813,170	2,338,624	7,151,794	1,973,127
State Shared Revenues					1,559,759	-	1,559,759	-
Franchise Fees and Permits					146,068	-	146,068	-
Unrestricted Investment Earnings					124,006	201,815	325,821	87,235
Miscellaneous					155,884	-	155,884	-
Transfers					-	-	-	-
Total General Revenues and Transfers					<u>6,798,867</u>	<u>2,540,439</u>	<u>9,339,326</u>	<u>2,060,362</u>
Change in Net Assets					1,361,777	1,428,780	2,790,557	1,318,331
Net Assets - Beginning					<u>25,583,799</u>	<u>31,101,957</u>	<u>56,685,756</u>	<u>4,952,966</u>
Net Assets - Ending					<u>\$ 26,945,576</u>	<u>\$ 32,530,737</u>	<u>\$ 59,476,313</u>	<u>\$ 6,271,297</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004**

	<i>General</i>	<i>Fire</i>	<i>Revolving</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets					
Cash and Cash Equivalents	\$ 6,706,120	\$ 1,198,807	\$ 3,812,007	\$ 327,588	\$ 12,044,522
Accounts Receivable	-	-	-	86,928	86,928
Taxes and Assessments Receivable	2,341,668	2,230,159	-	-	4,571,827
Due From Other Funds	281,456	-	-	-	281,456
Due From State of Michigan	550,858	-	-	-	550,858
Total Assets	\$ 9,880,102	\$ 3,428,966	\$ 3,812,007	\$ 414,516	\$ 17,535,591
Liabilities					
Accounts Payable	\$ 219,044	\$ 9,025	\$ -	\$ 12,399	240,468
Accrued Liabilities	12,252	35,168	-	4,458	51,878
Due to Other Funds	30,234	271,341	-	-	301,575
Deferred Revenue	2,453,931	2,337,077	-	-	4,791,008
Total Liabilities	2,715,461	2,652,611	-	16,857	5,384,929
Fund Equity					
Fund Balance :					
Reserved for:					
Capital Projects	-	-	666,448	-	666,448
Unreserved Reported In					
General Fund	7,164,641	-	-	-	7,164,641
Special Revenue Funds	-	776,355	3,145,559	397,659	4,319,573
Total Fund Equity	7,164,641	776,355	3,812,007	397,659	12,150,662
Total Liabilities and Equity	\$ 9,880,102	\$ 3,428,966	\$ 3,812,007	\$ 414,516	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 10,090,794

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 4,791,008

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (86,888)

Net Assets of Governmental Activities \$ 26,945,576

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>General</i>	<i>Fire</i>	<i>Revolving</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues:					
Taxes	\$ 2,482,733	\$ 2,346,490	\$ -	\$ -	\$ 4,829,223
Licenses and Permits	146,068	-	-	514,816	660,884
State Grants	1,559,759	-	-	-	1,559,759
Federal Grants	-	46,440	-	-	46,440
Assessments	-	-	-	136,942	136,942
Fines and Forfeits	33,556	-	-	-	33,556
Interest	54,687	12,823	50,152	6,344	124,006
Other Revenues	171,259	13,675	-	860	185,794
Total Revenues	<u>4,448,062</u>	<u>2,419,428</u>	<u>50,152</u>	<u>658,962</u>	<u>7,576,604</u>
Expenditures:					
Current:					
General Government	1,594,388	-	-	-	1,594,388
Public Safety	333,289	2,319,488	-	549,713	3,202,490
Public Works	2,568,331	-	-	139,322	2,707,653
Recreational and Cultural	193,864	-	-	-	193,864
Total Expenditures	<u>4,689,872</u>	<u>2,319,488</u>	<u>-</u>	<u>689,035</u>	<u>7,698,395</u>
Excess of Revenue Over (Under)					
Expenditures	<u>(241,810)</u>	<u>99,940</u>	<u>50,152</u>	<u>(30,073)</u>	<u>(121,791)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenue and Other Financing					
Sources Over Expenditures and Other					
Financing Uses	<u>(241,810)</u>	<u>99,940</u>	<u>50,152</u>	<u>(30,073)</u>	<u>(121,791)</u>
Fund Balance - Beginning	<u>7,406,451</u>	<u>676,415</u>	<u>3,761,855</u>	<u>427,732</u>	
Fund Balance - Ending	<u>\$ 7,164,641</u>	<u>\$ 776,355</u>	<u>\$ 3,812,007</u>	<u>\$ 397,659</u>	

Amounts reported for governmental activities in the statement of activities are different because:

-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which exceeded capital outlays depreciation in the current period.

1,563,087

-Deferred tax revenues in the funds that do not provide current financial resources are reported as revenues in the statement of activities

(16,053)

-The net effect of transactions involving capital assets (i.e., sales, trade ins, and donations is to decrease net assets

(63,466)

Change in Net Assets of Governmental Activities

\$ 1,361,777

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
PROPRIETARY FUNDS STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	<i>Water System Current Year</i>	<i>Water System Prior Year</i>	<i>Sewer System Current Year</i>	<i>Sewer System Prior Year</i>	<i>Totals</i>
Assets					
Current Assets:					
Cash and Cash Equivalents	\$ 2,146,635	\$ 795,963	\$ 2,950,099	\$ 3,453,365	\$ 5,096,734
Accounts Receivable	261,105	313,792	-	-	261,105
Assessments Receivable	1,546,145	2,526,644	67,946	105,371	1,614,091
Taxes Receivable	2,230,159	2,196,946	-	-	2,230,159
Due From Other Funds	93,545	37,554	-	-	93,545
Due From City	1,300	37,046	-	-	1,300
Total Current Assets:	<u>6,278,889</u>	<u>5,907,945</u>	<u>3,018,045</u>	<u>3,558,736</u>	<u>9,296,934</u>
Noncurrent Assets:					
Cash With Fiscal Agent	1,859,149	5,089	-	-	1,859,149
Deferred Charges, Net of Amortization	450,601	512,047	-	-	450,601
Total Noncurrent Assets	<u>2,309,750</u>	<u>517,136</u>	<u>-</u>	<u>-</u>	<u>2,309,750</u>
Property, Plant, and Equipment:					
Construction in Progress	1,375,917	-	793,055	128,038	2,168,972
Land	115,800	115,800	-	-	115,800
Water & Sewer Lines	21,193,570	21,193,570	2,679,337	2,393,290	23,872,907
Water Plant	9,028,889	8,973,463	-	-	9,028,889
Taps	265,570	184,205	-	-	265,570
Equipment	3,073,427	2,946,361	-	-	3,073,427
Less: Accumulated Depreciation	<u>(6,196,903)</u>	<u>(5,421,771)</u>	<u>(825,909)</u>	<u>(736,598)</u>	<u>(7,022,812)</u>
Net Property, Plant, And Equipment	<u>28,856,270</u>	<u>27,991,628</u>	<u>2,646,483</u>	<u>1,784,730</u>	<u>31,502,753</u>
Total Assets:	<u>37,444,909</u>	<u>34,416,709</u>	<u>5,664,528</u>	<u>5,343,466</u>	<u>43,109,437</u>
Liabilities					
Current Liabilities:					
Accounts Payable	117,081	87,744	9,720	-	126,801
Due to Other Funds	7,751	500,000	63,311	7,320	71,062
Due to City	57,765	254,654	-	-	57,765
Accrued Interest	102,572	68,000	-	-	102,572
Bonds Payable	780,000	735,000	-	-	780,000
Due to Others	500	500	-	-	500
Total Current Liabilities	<u>1,065,669</u>	<u>1,645,898</u>	<u>73,031</u>	<u>7,320</u>	<u>1,138,700</u>
Noncurrent Liabilities:					
Bonds Payable	9,440,000	7,005,000	-	-	9,440,000
Total Liabilities	<u>10,505,669</u>	<u>8,650,898</u>	<u>73,031</u>	<u>7,320</u>	<u>10,578,700</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	18,636,270	20,251,628	2,646,483	1,784,730	21,282,753
Restricted For Improvements	723,246	723,246	-	-	723,246
Unrestricted	<u>7,579,724</u>	<u>4,790,937</u>	<u>2,945,014</u>	<u>3,551,416</u>	<u>10,524,738</u>
Total Net Assets	<u>\$ 26,939,240</u>	<u>\$ 25,765,811</u>	<u>\$ 5,591,497</u>	<u>\$ 5,336,146</u>	<u>\$ 32,530,737</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Water System Current Year</i>	<i>Water System Prior Year</i>	<i>Sewer System Current Year</i>	<i>Sewer System Prior Year</i>	<i>Totals</i>
Operating Revenue:					
Use Charges	\$ 1,114,920	\$ 1,151,449	\$ -	\$ -	\$ 1,114,920
Charges for Services	615,238	665,074	321,220	250,000	936,458
Other	124	41,791	-	6,320	124
Total Operating Revenue	1,730,282	1,858,314	321,220	256,320	2,051,502
Operating Expenses:					
Wages and Fringes	19,377	-	-	-	19,377
Depreciation	775,131	759,852	89,311	79,776	864,442
Insurance	62,915	32,707	-	-	62,915
Pump Station	104,474	79,348	-	-	104,474
Plant Operation	707,488	898,272	-	-	707,488
Raw Water Costs	137,756	91,829	-	-	137,756
Professional Services	16,180	31,183	9,720	13,865	25,900
Supplies	145,291	124,781	-	-	145,291
Other	703,324	174,156	800	48	704,124
Total Operating Expenses	2,671,936	2,192,128	99,831	93,689	2,771,767
Operating Income (Loss):	(941,654)	(333,814)	221,389	162,631	(720,265)
Non-Operating Revenue:					
Interest Income	167,853	105,200	33,962	37,167	201,815
Property Taxes	2,338,624	2,342,393	-	-	2,338,624
Assessments	87,940	23,664	-	4,381	87,940
Transfer In	-	-	-	-	-
Total Non-Operating Revenue	2,594,417	2,471,257	33,962	41,548	2,628,379
Non-Operating Expenses:					
Interest Expense	(417,888)	(493,438)	-	-	(417,888)
Amortization Expense	(61,446)	(61,446)	-	-	(61,446)
Total Non-Operating Expenses	(479,334)	(554,884)	-	-	(479,334)
Change in Net Assets	1,173,429	1,582,559	255,351	204,179	1,428,780
Net Assets - Beginning	25,765,811	24,183,252	5,336,146	5,131,967	31,101,957
Net Assets - Ending	\$ 26,939,240	\$ 25,765,811	\$ 5,591,497	\$ 5,336,146	\$ 32,530,737

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Water System Current Year</i>	<i>Water System Prior Year</i>	<i>Sewer System Current Year</i>	<i>Sewer System Prior Year</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers and Users	\$ 1,782,969	\$ 1,821,528	\$ 358,645	\$ 380,597	\$ 2,141,614
Payments to Suppliers	(1,519,625)	(1,487,785)	(800)	(13,913)	(1,520,425)
Payments to Employees	(19,377)	-	-	-	(19,377)
Interfund (Payments) Receipts	(55,991)	(7,320)	55,991	7,320	-
Net Cash Provided by Operating Activities	<u>187,976</u>	<u>326,423</u>	<u>413,836</u>	<u>374,004</u>	<u>601,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Investments	167,853	105,200	33,962	37,167	201,815
Increase in Property, Plant, and Equipment	(1,639,773)	(2,191,554)	(951,064)	(128,038)	(2,590,837)
Net Cash (Used) Provided in Investing Activities	<u>(1,471,920)</u>	<u>(2,086,354)</u>	<u>(917,102)</u>	<u>(90,871)</u>	<u>(2,389,022)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from Debt	3,215,000	-	-	-	3,215,000
Transfers In/Out	-	-	-	-	-
Assessment Revenue	87,940	23,664	-	4,381	87,940
Property Taxes	2,338,624	2,342,393	-	-	2,338,624
Interest Paid	(417,888)	(493,438)	-	-	(417,888)
Bonds Paid	(735,000)	(700,000)	-	-	(735,000)
Net Cash (Used) Provided For Capital and Related Financing Activities	<u>4,488,676</u>	<u>1,172,619</u>	<u>-</u>	<u>4,381</u>	<u>4,488,676</u>
Net Increase (Decrease) In Cash and Cash Equivalents	3,204,732	(587,312)	(503,266)	287,514	2,701,466
Cash and Cash Equivalents - Beginning	801,052	1,388,364	3,453,365	3,165,851	4,254,417
Cash and Cash Equivalents - Ending	<u>\$ 4,005,784</u>	<u>\$ 801,052</u>	<u>\$ 2,950,099</u>	<u>\$ 3,453,365</u>	<u>\$ 6,955,883</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ (941,654)	\$ (333,814)	\$ 221,389	\$ 162,631	\$ (720,265)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	775,131	759,852	89,311	79,776	864,442
Changes In Current Assets & Liabilities:					
Accounts Payable	29,337	(55,509)	9,720	-	39,057
Accounts Receivable	52,687	(35,805)	37,425	-	90,112
Assessments Receivable	990,499	958,157	-	124,277	900,499
Taxes Receivable	(33,213)	(1,018,916)	-	-	(33,213)
Accrued Interest	34,572	68,000	-	-	34,572
Due to Others	(196,889)	(6,840)	-	-	(196,889)
Due from Other Funds	(55,991)	-	-	-	(55,991)
Due from Others	35,746	(1,382)	-	-	35,746
Due to Other Funds	(492,249)	(7,320)	55,991	7,320	(436,258)
Total Adjustments	<u>1,129,630</u>	<u>660,237</u>	<u>192,447</u>	<u>211,373</u>	<u>1,322,077</u>
Net Cash (Used) Provided By Operating Activities	<u>\$ 187,976</u>	<u>\$ 326,423</u>	<u>\$ 413,836</u>	<u>\$ 374,004</u>	<u>\$ 601,812</u>

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP
FIDUCIARY FUNDS -- STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	<i>Pension Trust Fund</i>	<i>Retirees Health Insurance Fund</i>	<i>Agency Fund Type (Property Tax Collection Fund)</i>
Assets			
Cash and Cash Equivalents	\$ -	\$ 160,000	\$ 4,770,177
Investments at Fair Value:			
Mutual Funds	2,823,359	-	-
Taxes Receivable	-	-	34,492,461
Total Assets	2,823,359	160,000	<u>\$ 39,262,638</u>
Liabilities			
Due to County	-	-	7,141,636
Due to State	-	-	7,059,829
Due to Schools	-	-	22,544,938
Due to Others	-	-	2,516,235
Total Liabilities	-	-	<u>\$ 39,262,638</u>
Net Assets			
Held in Trust for Pension Benefits	<u>\$ 2,823,359</u>	<u>\$ 160,000</u>	

See Accompanying Notes to the Financial Statements.

FRENCHTOWN CHARTER TOWNSHIP

FIDUCIARY FUNDS STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Pension Trust Fund</i>	<i>Retirees Health Insurance Fund</i>
Additions:		
Contributions		
Employer	\$ 232,914	\$ 160,000
Plan Members	5,771	-
	<hr/>	<hr/>
Total Contributions	238,685	160,000
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	249,320	-
	<hr/>	<hr/>
Total Additions	488,005	160,000
	<hr/>	<hr/>
Deductions:		
Benefits Paid	309,267	-
Administrative Fees	23,723	-
	<hr/>	<hr/>
Total Deductions	332,990	-
	<hr/>	<hr/>
Net Change	155,015	160,000
Net Assets - Beginning	2,668,344	-
	<hr/>	<hr/>
Net Assets - Ending	<u>\$ 2,823,359</u>	<u>\$ 160,000</u>

See Accompanying Notes to the Financial Statements.

Frenchtown Charter Township
NOTES TO THE FINANCIAL STATEMENTS

- NOTE 1 - Summary of Significant Accounting Policies*
- NOTE 2 - Reconciliation of Government-Wide and Fund Financial Statements*
- NOTE 3 - Stewardship, Compliance and Accountability*
- NOTE 4 - Deposits and Investments*
- NOTE 5 - Receivables*
- NOTE 6 - Capital Assets*
- NOTE 7 - Interfund Receivables, Payables and Transfers*
- NOTE 8 - Leases*
- NOTE 9 - Long-term Debt*
- NOTE 10 - Restricted Assets*
- NOTE 11 - Risk Management*
- NOTE 12 - Other Post-Employment Benefits*
- NOTE 13 - Employee Retirement Plan*
- NOTE 14 - Pending Litigation*
- NOTE 15 - Deferred Compensation Plan*
- NOTE 16 - Economic Dependence*

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Frenchtown Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Frenchtown Charter Township:

A - Reporting Entity

Frenchtown Charter Township is a municipal corporation governed by an elected seven member board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units

The Frenchtown Charter Township Resort District Authority is a special district of Frenchtown Charter Township. For financial reporting purposes they are a discretely presented component unit of Frenchtown Charter Township, and the Frenchtown Charter Township Resort District Authority issues its own separate financial statements. Copies of these financial statements can be obtained at:

Administrative Office:
2979 Nadeau Road
Monroe, MI 48161

Establishment of the Frenchtown Charter Township Resort District Authority -- Act 59 of the Public Acts of Michigan - 1986, authorized the establishment of a resort authority by a township. The purpose is to prevent deterioration, encourage historic preservation, and promote rehabilitation within the resort district. As organized, the Frenchtown Charter Township Resort District Authority performs the following functions:

1. Manages drainage and road improvement and construction that is bonded.
2. Oversees debt retirement of bonded debt that was used to finance the construction project and improvements.
3. Provides certain services including street lighting and garbage collection.
4. Performs other services as needed to fulfill its duties.

B - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered available only when cash is received by the government.

Frenchtown Charter Township property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Frenchtown Charter Township as of the preceding December 31st. Although the Frenchtown Charter Township 2003 ad valorem tax is levied and collectible on December 1, 2004, it is the Frenchtown Charter Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). The 2004 taxable valuation of the Frenchtown Charter Township totaled \$1,143.0 million, on which ad valorem taxes levied consisted of 2.1000 mills for the Frenchtown Charter Township operating purposes, 2.000 mills for water debt, 2.000 mills for fire protection, and .316 for bus transportation. The taxes generated are recognized in the respective General, Special Revenue and Enterprise Fund financial statements as taxes receivable - current or as tax revenue.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire Fund accounts for specific revenues and fire protection expenses.

The Revolving Fund accounts for specific revenues and improvements.

The government reports the following major proprietary funds:

The Water Fund accounts for the activities of the water treatment system.

The Sewer Fund accounts for tap and assessment revenues, sewer system construction and related debt service.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the government reports the following fund types:

The pension trust fund accounts for the activities of the township employees retirement system which accumulates resources for pension benefit payments to qualified employees.

The retirees health insurance trust fund provides health insurance for retired employees.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned. Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. The water and sewer fund also recognizes tap fees as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets--The bonds of the enterprise funds require amounts to be set aside for construction debt service principal and interest, operations and maintenance, and a bond reserve. These amounts have been classified as restricted assets, as well as amounts on deposit at the county being held for the construction or debt service of Frenchtown Charter Township's water and sewer lines.

Capital Assets--Capital assets, which include property, plant, equipment, infrastructure assets (e.g., road: bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	20 to 50 years
Improvements Other than Buildings	20 years
Machinery and Equipment	5 to 20 years
Water and Sewer Lines	30 to 50 years
Infrastructure	20 years

Compensated Absences (Vacation and Sick Leave)--It is the government's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation and sick leave pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year-end.

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications--Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE 2--RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds". The details of this \$86,888 are as follows:

Compensated absences	\$ <u>(86,888)</u>
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- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "-Governmental funds report capital outlays as expenditures; in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this \$1,563,087 are as follows:

Capital outlay	\$ 2,013,468
Depreciation	<u>(450,381)</u>
	<u>\$ 1,563,087</u>

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information --Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and all special revenue funds. All annual appropriations lapse at fiscal year end. On or before the 1st day of September the Supervisor shall prepare and submit to the Township Board a recommended budget within the tax limit and other revenue sources of the Township covering the next fiscal year. A public hearing on the budget shall be held before its final adoption. On or before the end of the fiscal year, the Township Board shall adopt a budget for the ensuing fiscal year. The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level. (i.e., The level at which expenditures may not legally exceed appropriations). The Supervisor is authorized to transfer budgeted amounts between line-items within an activity category; however, any revisions that alter the total expenditures of any activity must be approved by the Township Board.

NOTE 3--STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds--During the year, Frenchtown Charter Township incurred no expenditures which were in excess of the amounts appropriated.

Fund Deficits--Frenchtown Charter Township has accumulated fund balance/retained earning deficits as follows:

Building Inspection Fund	\$ (16,350)
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NOTE 4--DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The Local Governmental Unit Board has designated three banks for the deposit of Local Unit funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of State statutory authority as listed above.

The Local Governmental Unit's deposits and investment policy are in accordance with statutory authority

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	\$ 12,044,522	\$ 5,096,734	\$ 160,000	\$ 17,301,256	\$ 19,898,359
Restricted Cash	-	1,859,149	-	1,859,149	1,859,149
Total	<u>\$ 12,044,522</u>	<u>\$ 6,955,883</u>	<u>\$ 160,000</u>	<u>\$ 19,160,405</u>	<u>\$ 21,757,508</u>
					<u>Federal Depository Insurance Coverage</u>
					<u>\$ 300,000</u>

<u>Component Units</u>	<u>Resort District Authority</u>	<u>Bank Balance</u>
Cash and Cash Equivalents	<u>\$ 3,656,867</u>	<u>\$ 3,659,027</u>
		<u>Federal Depository Insurance Coverage</u>
		<u>\$ 200,000</u>

NOTE 4--DEPOSITS AND INVESTMENTS (Continued)

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.

At year-end, the government's investment balances were categorized as follows:

Primary Government	Category			Reported Amount (Fair Value)
	1	2	3	
U.S. Government Securities	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit	-	-	-	-
Repurchase Agreements	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	-
Investments Not Subject to Categorization				
Mutual Funds				2,823,359
Total Primary Government				\$ 2,823,359

NOTE 5--RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Fire Fund	Water Fund	Sewer Fund	Nonmajor Funds	Total
Accounts	\$ -	\$ -	\$ 261,105	\$ -	\$ 86,928	\$ 348,033
Special Assessments	-	-	1,546,145	67,946	-	1,614,091
Taxes	2,341,668	2,230,159	2,230,159	-	-	6,801,986
Gross Receivables	2,341,668	2,230,159	4,037,409	67,946	86,928	8,764,110
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Receivables	\$ 2,341,668	\$ 2,230,159	\$ 4,037,409	\$ 67,946	\$ 86,928	\$ 8,764,110

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	Unavailable
Taxes	\$ 4,791,008

NOTE 6--CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 1,589,570	\$ -	\$ (63,466)	\$ 1,526,104
Construction in Progress	-	142,908	-	142,908
	<u>1,589,570</u>	<u>142,908</u>	<u>(63,466)</u>	<u>1,669,012</u>
Capital Assets Being Depreciated :				
Buildings	6,643,000	49,536	-	6,692,536
Improvements Other Than Buildings	549,635	-	-	549,635
Infrastructure	-	1,766,899	-	1,766,899
Machinery and Equipment	3,258,564	54,125	-	3,312,689
Subtotal	<u>10,451,199</u>	<u>1,870,560</u>	<u>-</u>	<u>12,321,759</u>
Less Accumulated Depreciation for :				
Buildings	1,682,660	132,871	-	1,815,531
Improvements Other Than Buildings	374,071	22,223	-	396,294
Infrastructure	-	88,345	-	88,345
Machinery and Equipment	1,392,865	206,942	-	1,599,807
Subtotal	<u>3,449,596</u>	<u>450,381</u>	<u>-</u>	<u>3,899,977</u>
Net Capital Assets Being Depreciated	<u>7,001,603</u>	<u>1,420,179</u>	<u>-</u>	<u>8,421,782</u>
Governmental Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 8,591,173</u>	<u>\$ 1,563,087</u>	<u>\$ (63,466)</u>	<u>\$ 10,090,794</u>
<u>Business-Type Activities</u>				
Capital Assets Not Being Depreciated :				
Land	\$ 115,800	\$ -	\$ -	\$ 115,800
Construction in Progress	128,038	2,040,934	-	2,168,972
	<u>243,838</u>	<u>2,040,934</u>	<u>-</u>	<u>2,284,772</u>
Capital Assets Being Depreciated :				
Buildings and System	32,744,528	422,838	-	33,167,366
Machinery and Equipment	2,946,361	127,066	-	3,073,427
	<u>35,690,889</u>	<u>549,904</u>	<u>-</u>	<u>36,240,793</u>
Less Accumulated Depreciation for :				
Buildings and System	5,237,237	711,913	-	5,949,150
Machinery and Equipment	921,133	152,529	-	1,073,662
	<u>6,158,370</u>	<u>864,442</u>	<u>-</u>	<u>7,022,812</u>
Net Capital Assets Being Depreciated	<u>29,532,519</u>	<u>(314,538)</u>	<u>-</u>	<u>29,217,981</u>
Business-Type Activities Total				
Capital Assets--Net of Depreciation	<u>\$ 29,776,357</u>	<u>\$ 1,726,396</u>	<u>\$ -</u>	<u>\$ 31,502,753</u>

Depreciation expense was charged to programs of the primary government as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General Government	\$ 97,383	Sewer	\$ 89,311
Public Safety	200,329	Water	775,131
Public Works	88,345	Total Business-Type	
Recreation and Culture	64,324	Activities	<u>\$ 864,442</u>
Total Governmental Activities	<u>\$ 450,381</u>		

NOTE 6--CAPITAL ASSETS (Continued)

Construction Commitments

The Township has construction contract commitments at December 31, 2004 in the amount of \$195,738.

Discretely Presented Component Units

Capital asset activity of the Resort District Authority for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated :				
Land	\$ 6,716	\$ -	\$ -	\$ 6,716
Construction in Progress	-	538,535	-	538,535
	<u>6,716</u>	<u>538,535</u>	<u>-</u>	<u>545,251</u>
Capital Assets Being Depreciated :				
Machinery and Equipment	34,727	200	(290)	34,637
Infrastructure	-	659,778	-	659,778
	<u>34,727</u>	<u>659,978</u>	<u>(290)</u>	<u>694,415</u>
Less Accumulated Depreciation for :				
Machinery and Equipment	23,250	9,053	(290)	32,013
Infrastructure	-	23,551	-	23,551
	<u>23,250</u>	<u>32,604</u>	<u>(290)</u>	<u>55,564</u>
Net Capital Assets Being Depreciated	<u>11,477</u>	<u>627,374</u>	<u>-</u>	<u>638,851</u>
Resort District Authority - Total Capital Assets - Net of Depreciation	<u>\$ 18,193</u>	<u>\$ 1,165,909</u>	<u>\$ -</u>	<u>\$ 1,184,102</u>

NOTE 7--INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances is as follows:

<u>Due To/From Other Funds</u>		<u>Amount</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Fire Fund	\$ 271,341
	Water	7,751
	Other - Trust and Agency	2,364
Water	Sewer	63,311
	General	30,234
Total		<u>\$ 375,001</u>

Interfund Transfers

There were no interfund transfers for the year.

NOTE 8--LEASES

Frenchtown Charter Township had no lease obligations at December 31, 2004.

NOTE 9--LONG-TERM DEBT

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	<i>Interest Rate</i>	<i>Principal Matures</i>	<i>Beginning Balance</i>	<i>Additions (Reductions)</i>	<i>Ending Balance</i>	<i>Due Within One Year</i>
Business-Type Activities						
County Contractual Obligations						
Water Plant	3.125-5.25%	2012	\$ 7,740,000	\$ (735,000)	\$ 7,005,000	\$ 770,000
Water System	5.20%	2029	-	3,215,000	3,215,000	10,000
Total Business-Type Activities			<u>\$ 7,740,000</u>	<u>\$ 2,480,000</u>	<u>\$ 10,220,000</u>	<u>\$ 780,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<i>Year Ending December 31,</i>	<i>Business-Type Activities</i>	
	<i>Principal</i>	<i>Interest</i>
2005	\$ 780,000	\$ 531,317
2006	870,000	454,663
2007	915,000	410,353
2008	970,000	361,792
2009	990,000	310,971
2010 and after	5,695,000	1,926,331
Total	<u>\$ 10,220,000</u>	<u>\$ 3,995,427</u>

NOTE 10--RESTRICTED ASSETS

The balances of the restricted asset (cash with fiscal agent) accounts in the proprietary funds are as follows:

Construction	<u>\$ 1,859,149</u>
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NOTE 11--RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township purchases commercial insurance for all of these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

The Michigan Townships Participating Plan operates as an insurance purchasing pool for local units of government in Michigan. The Plan purchases commercial insurance on behalf of its members at a lower cost than would be available on an individual basis.

NOTE 12--OTHER POST-EMPLOYMENT BENEFITS

The Township has post-employment health and dental benefits provided to retired board members and employees. This plan as established by the Township Board as an ordinance.

The Township funded these benefits on a "pay-as-you-go" basis through 2004. A Retirees Health Insurance Fund was established during 2004 to provide for future payments. The total cost of these benefits for the year ended December 31, 2004, was approximately \$28,000 and there were four participants who qualified for and received benefits for this year.

NOTE 13--EMPLOYEE RETIREMENT PLAN

Defined Contribution Pension Plan

The Township provides pension benefits for all of its permanent employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings.

For employees hired after 2000, the Township contributes a maximum of 10% of base wages for each employee, as follows: no contribution the first year, 2% the second year, with an additional 2% for years 3-6 until the employee reaches the maximum of 10%. Employees may voluntarily contribute up to a maximum of 10% of wages. An employee is fully vested after five years of service. An insurance company administers the Plan.

For employees hired prior to 2001, the Township contributes 15% of base wages for each employee. Employees may voluntarily contribute up to a maximum of 10% of wages. An employee is fully vested after three years of service. An insurance company administers the Plan.

The Township's total payroll for the year ended December 31, 2004 was \$2,097,830. The Township made the required contributions of \$232,914 on covered payroll.

Note 14 -- PENDING LITIGATION

At present, there are no cases of litigation pending that would have a material effect on the financial statements.

NOTE 15--DEFERRED COMPENSATION PLAN

The Frenchtown Charter Township Board offers all Frenchtown Charter Township employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans were held in trust, (custodial account or annuity contract) as described in IRC Section 457 (g) for the exclusive benefit of the participants (employees) and their beneficiaries. The custodian thereof of the exclusive benefit of the participants holds the custodial account for the beneficiaries of this Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with the provisions of GASB Statement 32, plan balances and activities are not reflected in Frenchtown Charter Township's financial statements.

Note 16 -- ECONOMIC DEPENDENCE

The Township receives 45.6% of its tax revenue from one taxpayer.

Required Supplementary Information

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget -</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	\$ 3,330,075	\$ 3,560,596	\$ 7,406,451	\$ 3,845,855
Resources (Inflows)				
Taxes and Penalties	2,483,750	2,486,750	2,482,733	(4,017)
Licenses and Permits	115,000	115,000	146,068	31,068
State Grants	1,600,000	1,600,000	1,559,759	(40,241)
Interest	60,000	60,000	54,687	(5,313)
Fines and Forfeitures	-	-	33,556	33,556
Other Revenue:	97,600	97,600	171,259	73,659
Transfers from Other Funds	-	-	-	-
Total Resources (Inflows)	<u>4,356,350</u>	<u>4,359,350</u>	<u>4,448,062</u>	<u>88,712</u>
Amounts Available for Appropriation	<u>7,686,425</u>	<u>7,919,946</u>	<u>11,854,513</u>	<u>3,934,567</u>
Charges to Appropriations (Outflows)				
General Government :				
Township Board	52,000	52,000	43,806	8,194
Supervisor	91,600	91,600	87,729	3,871
Elections	76,300	76,300	38,618	37,682
Clerk	126,300	126,300	112,625	13,675
Treasurer	129,700	129,700	112,279	17,421
Auditing	32,000	32,000	28,850	3,150
Legal	120,000	120,000	76,487	43,513
Board of Review	3,000	3,000	735	2,265
Assessing	220,500	220,500	173,984	46,516
Building and Grounds	1,226,800	1,226,800	299,114	927,686
General Operating	1,476,500	1,426,500	545,572	880,928
Senior Citizens	21,500	21,500	10,171	11,329
Industrial Park	33,000	33,000	5,587	27,413
Planning and Zoning	87,500	87,500	58,831	28,669
Total General Government	<u>3,696,700</u>	<u>3,646,700</u>	<u>1,594,388</u>	<u>2,052,312</u>
Public Safety				
Police Protection	<u>358,000</u>	<u>358,000</u>	<u>333,289</u>	<u>24,711</u>
Public Works	<u>2,667,125</u>	<u>2,947,646</u>	<u>2,568,331</u>	<u>379,315</u>
Cultural & Recreation				
Library	59,500	59,500	39,119	20,381
Recreation	<u>254,800</u>	<u>254,800</u>	<u>154,745</u>	<u>100,055</u>
Total Cultural & Recreation	<u>314,300</u>	<u>314,300</u>	<u>193,864</u>	<u>120,436</u>
Transfers to Other Funds	<u>650,300</u>	<u>650,300</u>	<u>-</u>	<u>650,300</u>
Total Charges to Appropriations	<u>7,686,425</u>	<u>7,916,946</u>	<u>4,689,872</u>	<u>3,227,074</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 7,164,641</u>	<u>\$ 7,161,641</u>

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget -</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	<u>\$ 490,000</u>	<u>\$ 751,414</u>	<u>\$ 676,415</u>	<u>\$ (74,999)</u>
Resources (Inflows)				
Taxes and Penalties	2,346,429	2,346,429	2,346,490	61
Federal Grants	-	-	46,440	46,440
Interest	15,000	15,000	12,823	(2,177)
Other Revenue:	10,000	10,000	13,675	3,675
Total Resources (Inflows)	<u>2,371,429</u>	<u>2,371,429</u>	<u>2,419,428</u>	<u>47,999</u>
Amounts Available for Appropriation	<u>2,861,429</u>	<u>3,122,843</u>	<u>3,095,843</u>	<u>(27,000)</u>
Charges to Appropriations (Outflows)				
Public Safety				
Wages			1,203,718	
Benefits			861,823	
Professional Fees			25,997	
Utilities			37,032	
Repair and Maintenance			63,427	
Supplies			50,041	
Other			25,120	
Capital			52,330	
Total Charges to Appropriations	<u>2,861,429</u>	<u>3,122,843</u>	<u>2,319,488</u>	<u>803,355</u>
Budgetary Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 776,355</u>	<u>\$ 776,355</u>

FRENCHTOWN CHARTER TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
REVOLVING FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance with</i>
	<i>Original</i>	<i>Final</i>	<i>Amounts</i>	<i>Final Budget -</i>
				<i>Positive</i>
				<i>(Negative)</i>
Beginning Fund Balance	\$ 3,400,000	\$ 3,400,000	\$ 3,761,855	\$ 361,855
Resources (Inflows)				
Interest	40,000	40,000	50,152	10,152
Transfers from Other Funds	300,000	300,000	-	(300,000)
Total Resources (Inflows)	340,000	340,000	50,152	(289,848)
Amounts Available for Appropriation	3,740,000	3,740,000	3,812,007	72,007
Charges to Appropriations (Outflows)				
General Government :	-	-	-	-
Transfers to Other Funds	300,000	300,000	-	-
Total Charges to Appropriations	300,000	300,000	-	-
Budgetary Fund Balance - Ending	\$ 3,440,000	\$ 3,440,000	\$ 3,812,007	\$ 72,007

Additional Information

FRENCHTOWN CHARTER TOWNSHIP
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	<i>Special Revenue</i>				<i>Total Nonmajor Governmental Funds</i>
	<i>Liquor Law Enforcement</i>	<i>Street Lighting</i>	<i>Building Inspection Fund</i>	<i>Budget Stabilization Fund</i>	
Assets					
Cash and Cash Equivalents	\$ 1,357	\$ 53,821	\$ -	\$ 272,410	\$ 327,588
Accounts Receivable	-	86,928	-	-	86,928
Total Assets	\$ 1,357	\$ 140,749	\$ -	\$ 272,410	\$ 414,516
Liabilities & Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ 507	\$ 11,892	\$ -	\$ 12,399
Accrued Liabilities	-	-	4,458	-	4,458
Total Liabilities	-	507	16,350	-	16,857
Fund Balances:					
Unreserved/Designated	-	-	-	-	-
Unreserved/Undesignated	1,357	140,242	(16,350)	272,410	397,659
Total Fund Balance	1,357	140,242	(16,350)	272,410	397,659
Total Liabilities & Fund Balance	\$ 1,357	\$ 140,749	\$ -	\$ 272,410	\$ 414,516